



Asset Building in Native Communities

Activity Workbook



Assets for Independence
Administration for Native Americans
Administration for Children and Families
U.S. Department of Health and Human Services

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MODULE 1 ACTIVITIES

The activities in Module One will help you think through how you might design an IDA with funding from the Assets for Independence program that meets the particular needs of your community. The activities also point out Assets for Independence requirements that will shape your IDA design.

Activity 1.1: Select a Savings Goal

AFI supports three main savings goals or allowable uses:

- Purchasing a Home
- Starting a Small Business
- Paying for Higher Education

Please identify what savings goal(s) you think you would like to focus on in your program:

What might be the savings goal(s) supported by your IDA program (check all that apply)?

Homeownership Educational Attainment
 Entrepreneurship other? List here:

Describe why you are choosing these goal(s) for your community:

Activity 1.2: Select a Match Rate

In doing the activity below, please fill in your preferred **match rates**. You may need to adjust this after you do other calculations, but fill in the worksheet for now with your best guess.

What will be the *match rate(s)* for each allowable use for your IDA program?

Savings Goal #1: _____

Savings Goal #2: _____

Savings Goal #3: _____

Activity 1.3: Establish a Savings Structure

Complete the table below. Note the changes that occur when you use different match rates.

	Example: Match Rate 1:3	Exercise: Match Rate 1:8
1. How much money do you want participants to save (same for both options)?	\$ _____	\$ _____
2. For each match rate, what is the total amount that your savers will have to contribute over the course of the program?	\$ _____	\$ _____
3. If the savings time frame is 2 years (24 months), what is the minimum monthly savings amount?	\$ _____	\$ _____
4. Is this a reasonable amount to expect your program participants to save? Why?	<input type="checkbox"/> Yes <input type="checkbox"/> No Why?	<input type="checkbox"/> Yes <input type="checkbox"/> No Why?
5. If you want to reach 10 participants with your program, calculate the total budget for your match costs.	\$ _____	\$ _____

Activity 1.4: Partnering with a Financial Institution

Complete the table below to provide guidance on partnering with a financial institution and establishing account features:

What bank or financial institution do you think you will approach for a partnership?	
<i>Account Statements</i>	What will you ask for from the financial institution? Duplicate statements for you and the account holder, access through online banking, or something else?
<i>Deposit Format</i>	Are you going to require electronic funds transfer, or will you allow deposits at branches and ATMs?

ACTIVITIES 1.5 – 1.7: ESTABLISHING A SAVINGS PLAN

A savings plan is a written document you can use to effectively communicate with your clients about the parameters of the IDA program. It is sometimes also called an IDA participant agreement or savings agreement. In the previous exercises, you have identified the following aspects of an IDA Program:

- Savings goal
- Match rate
- Maximum savings goal
- Minimum monthly savings expected
- Deposit format
- Emergency withdrawal policies
- Dropout policies and penalties for not completing the program

You have dealt with savings goals, match rates, monthly deposits and deposit formats in previous activities. The next set of activities will explore time frames and drop-out policies for your IDA project. You then will be asked to incorporate these elements and emergency withdrawal policies into a Savings plan outline (Activity 1.7).

Activity 1.5: Establish a Time Frame

What do you think the savings plan time frame(s) for your participants will be?

Activity 1.6: Dropout Policies

1. What will your dropout policies be?

2. What action will you take to deal with participants who have not made the required deposits to their accounts?

3. How will you address the problem of a participant who has not attended the required financial education classes?

How will you communicate your dropout policies to potential savers?

Keep these answers in mind. Information from these responses will be useful in completing your AFI application.

Activity 1.7: How Will You Design and Use a Savings Plan?

Keep in mind that the *savings plan* is a written document you can use to effectively communicate with your clients about the parameters of the IDA program.

You should use a savings plan to communicate each of these features of the IDA program to your clients. You can give each client a copy of the savings plan and go over each of the components of the plan with them before they begin the process of saving in an IDA.

Use your responses from Activities 1.1 -1.6 to create the framework of an IDA savings plan for your project participants.

1. What issues will you cover in your savings plan? List them here.

2. How will you use your savings plan to communicate program components to clients?

3. How do you think the savings plan will assist participants in achieving their savings goal?

4. What will your emergency withdrawal policies and procedures be?

Activity 1.8: Financial Education Classes

AFI requires financial education for IDA program participants. However, the number of hours your organization requires participants to complete and the curriculum your organization uses, is up to you. Financial education classes should cover basic money management skills like budgeting, the importance of savings, using bank accounts, and using credit wisely. Think about how many hours of training you will require participants to have.

There are several existing curricula that may be of use to you, including the *Building Native Communities: Financial Skills for Families* curriculum that is targeted toward a Native American audience. This curriculum is downloadable from the First Nations Development Institute website (www.firstnations.org) and the First Nations Oweesta Corporation website (www.oweesta.org). Various American Indian, Native Hawaiian, and Alaska Native communities have modified this curriculum to make the material as applicable and relevant to their local communities as possible

You may wish to partner with another organization in order to deliver classes most effectively. Do some research into whether there are some nearby organizations that are already offering financial education classes. Depending on where you are located, you may be able to partner with a tribal college, a tribal housing authority, or a community development financial institution that is already offering such classes.

1. What topics will you cover in your financial education classes?

2. Do you know of any curricula that you would like to use for your classes? Or do you think you want to amend existing curricula or create your own?

3. How many hours of financial education will you require for your clients?

4. Can you think of an organization you would like to partner with to deliver the financial education classes? Or would you deliver it in-house?

Activity 1.9: Asset Specific Classes

In addition to basic financial education, you might want to offer goal-specific education. So, for example, if you are offering a homeownership IDA, you should offer classes on how to buy a home that cover topics like shopping for a home, understanding home inspections, applying for a mortgage, and other relevant topics. Many groups only choose one asset goal for their IDA program because the asset-specific education can be so detailed. Remember, it is a wise decision to partner with other organizations to offer goal-specific education. Asset training classes usually happen after an individual has been saving in the IDA for some time – and after they have taken the basic financial education classes

1. What are the savings goal(s) for your IDA program?

2. What topics will you cover in your asset-specific classes?

3. Do you know of any curricula that you would like to use for your classes? Or, do you want to amend existing curricula or create your own?

4. How many hours of asset-specific education will you require for your clients?

5. Can you think of an organization you would like to partner with to deliver the classes? Or would you deliver it in-house?

Activity 1.10: Tax Services

What types of tax services can you provide your IDA participants?

Will you offer them in-house, or partner with another organization? What organization could you partner with?

Activity 1.11: Peer and Personal Support

1. Think about the case management and coaching needs of your target audience. Do you think they will need a lot of assistance to succeed in your IDA program? Yes No

Why or why not?

2. What sort of services or referrals will you offer if you discover that one of your program participants needs credit repair?

Activity 1.12: Asset Purchase

1. How can you help your IDA participant think through the specific goods and/or services they will be purchasing with their IDA?

2. What sort of procedures will you have in place to facilitate the asset purchase for your client?

MODULE 2: BUILDING AN IDA PROJECT IN YOUR COMMUNITY

Consider beginning an AFI project's development by meeting with representation from all elements of the community.—elders, families, youth, tribal leaders. Ask them how community members traditionally built and managed assets; how we now deal with asset building. Ask them to describe what opportunities for building a resource base they would like to see available to community members, particularly lower income community members. That statement then serves as a long range goal statement for asset building in the community. Long-range goals to which an AFI project might be related could include:

- All community members will live in decent affordable housing.
- All community members will have stable incomes that equal our area's median levels.
- All community members will have access to life-long learning opportunities

Activity 2.1: Develop Long Range Goals

1. List your community's long range goals that address asset building and increasing community members' self-sufficiency.

2. Where can those goals be found (e.g. Tribal/Community Strategic Plan, Tribal/Community Housing Plan, Education Plan)?

3. Describe the people of the community that developed the goal statements and the process used in that development:

Activity 2.2A: Assess Community Conditions

This activity will help you define community conditions (problems) that your project will be addressing. Describe problems and current community conditions that stand in the way of achieving long-range asset building goals: (build this activity on the results of Activity 1.1) Use the first table to define asset-related problems that impact individuals/ families (substandard housing, high unemployment, low incomes). In the second table describe problems that are barriers to asset building that impact the entire community (distance to financial institutions, disincentives for savings, high costs of goods and services).

INDIVIDUAL/FAMILY LEVEL CONDITIONS that are BARRIERS to ASSET BUILDING			
Who? Where?	What? Why?	Evidence of the Problem	Impact if Problem is Resolved?
Who/what is impacted by the problem?	What is the Problem?	What evidence do you have to support your claims?	What are the consequences of reducing or eliminating the problem?
Where is the problem found?	Why does the problem occur?		How is the problem a responsibility or concern of your tribe/ organization?

Activity 2.2B: Assess Community Conditions cont.

COMMUNITY-WIDE LEVEL CONDITIONS that are BARRIERS to ASSET BUILDING			
Who? Where?	What? Why?	Evidence of the Problem	Impact if Problem is Resolved?
Who/what is impacted by the problem?	What is the Problem?	What evidence do you have to support your claims?	What are the consequences of reducing or eliminating the problem?
Where is the problem found?	Why does the problem occur?		How is the problem a responsibility or concern of your tribe/organization?



REMEMBER: such phrases as “We need a...” or “We have a lack of...” describe the potential project, not the problem.

Activity 2.3: Assess Community Capacity, Available Resources and Strengths

1. Describe your capacity and the capacity of your planned partners in developing and operating successful programs or initiatives. What experience have you and your partners had in program collaboration? How did low-income community members benefit from those programs?

2. How would you staff the Project Director and other key staff positions? What relevant experience with the target populations, with financial institutions and partners, and in implementing successful resource-building approaches and IDA programs would you look for?

3. What non-Federal cash contributions are planned to be used in the project? (Remember that AFI requires a dollar for dollar match in funding participant accounts and for the administrative funds as well).

Activity 2.4: Define the Project Concept and Determine the Goal

Describe the intended target population: _____

1. What is the primary FAMILY LEVEL problem(s) the project will address?

2. What is the primary COMMUNITY LEVEL problem(s) the project will address?

3. Describe the project concept:

4. How does the project fit within and address one or more of your long-range community goals regarding self-sufficiency and asset building for the target population?

5. Build on the previous five responses to write a project goal statement.

Activity 2.5A: Project Timeline

Using the forms below, develop a chart that provides a time frame for project planning, implementation and reporting/evaluation activities. Here are some of the activities to consider in creating the chart

PRE-IMPLEMENTATION – These tasks are done as part of the planning process but also may be included in implementation phase of the project.

- Developing strong collaborations with key government agencies, faith-based organizations, and non-profit and for-profit organizations that will support the overall asset-building strategy
- Establishing strong working relationships with one or more financial institution(s) that will participate in the project

IMPLEMENTATION-LOGISTICAL

- Selecting and training key staff for the project
- Reaching out to community residents, employers, and other key institutions about asset-building strategies in general and the IDA program in particular
- Recruiting, screening, and selecting project participants
- Determining the unique needs of each participant or group of participants including their needs for economic education, credit repair, and other assistance, as well as determining their particular strengths
- Providing economic education, credit repair, asset-specific information and other training or supportive services to participants
- Developing savings plans with participants and working with them to save accordingly
- Providing payments to project participants' IDAs as match for savings
- Providing follow-up assistance to participants, if needed

IMPLEMENTATION-TECHNICAL

- Developing protocols for managing the Project Reserve Fund including a system for allocating interest income for project administration and to project participants
- Establishing and maintaining IDAs for each participant including specific arrangements concerning the accounts with financial institutions or others
- Assisting participants who have difficulty completing the economic education or abiding with the terms of their savings plan
- Ensuring that participants use IDAs only as appropriate, including for emergency expenses
- Ensuring that participants purchase an eligible, appreciable long-term asset within the program time-frames
- Providing tax preparation assistance and assistance for claiming refundable tax credits such as Federal and State Earned Income Tax Credit and the Child Tax Credit for project participants

REPORTING AND EVALUATION

- Participating actively in the national evaluation of the demonstration program including providing data and other information as required
- Providing required financial and programmatic reports to OCS
- Managing periodic internal program reviews concerning staffing, participant successes, and other issues to be addressed

<i>Task List</i>	<i>Yr 1</i>	<i>Yr 2</i>	<i>Yr 3</i>	<i>Yr 4</i>	<i>Yr5</i>
Develop and maintain collaborations with key government agencies, faith-based organizations, and non-profit and for-profit organizations	X	X	X	X	X
Select and train key staff for the project	X				

Activity 2.5B: Roles and Responsibilities

Describe the roles and responsibilities of each partner and their capacity to participate in this project from the list of Partners that you created in Activity 4. Focus on asset-specific contributions (credit repair, business plan development, etc).

Name of Partner Organization	Role of Partner	Amount of Leveraged Contribution	Capacity to Carry Out Commitment

Activity 2.6: Create a Project Workplan

Transfer information from Activity 2.5B to the tables below to create a time table that displays activities and parties responsible for carrying out those activities. List planned outputs outcomes for each year.

YEAR:			
Planned Outputs:			
Planned Outcomes:			
Activity	Begin Date	End Date	Responsible Party/Parties

YEAR:			
Planned Outputs:			
Planned Outcomes:			
Activity	Begin Date	End Date	Responsible Party/Parties

YEAR:
Planned Outputs:
Planned Outcomes:

Activity	Begin Date	End Date	Responsible Party/Parties

YEAR:
Planned Outputs:
Planned Outcomes:

Activity	Begin Date	End Date	Responsible Party/Parties

YEAR:
Planned Outputs:
Planned Outcomes:

Activity	Begin Date	End Date	Responsible Party/Parties

Activity 2.7: Challenges and Contingency Planning

One of your partners, the Community College Small Business Development Center, committed \$10,500 in non-federal funds to use in match for micro-business start ups. Participants in the business start up component of your IDA project get a 4:1 investment ratio in their accounts (\$2000 SBDC+\$2000 AFI: \$1000 participant). Participants can access their \$5000 account after completion of an approved business plan. You had planned on 5 participants for this component of the project.

By the second year of the project 3 participants successfully completed their business plans, 2 individuals were engaged in business plan development and IDA investment. An additional 8 individuals are interested in starting their micro- businesses. The SBDC cannot increase its contribution. There are no additional non-federal resources available internally through your own funds.

1. Describe your contingency plan(s) for recruiting additional partners to secure resources needed for additional business start-up IDAs.

2. This experience convinced project staff that a strategy for ongoing recruitment of partners was needed. Outline the components of that strategy.

3. List four other critical issues of your project for which you will create a contingency plan

- 1

- 2

- 3

- 4

Activity 2.8: Establishing Baseline Data and Evaluating Project

As we saw in **Activities 2.2A and 2.2B** (Assess Community Conditions), conditions are the bases of the problem statement that the project is going to reduce or eliminate. *Who is impacted by the problem? What is the problem? What evidence do you have to support your claim?*

Building off of those previous activities, this exercise will help provide a baseline to use in defining participant and community problem(s) to be addressed and measuring the project's impact on the problem(s).

1. Describe your plan for assessing socio-economic current conditions of and problems experienced by TANF participants.

2. Describe your plan for assessing current socio-economic conditions of and problems experienced by families with household incomes less than twice the Federal poverty level at the time of application or within Federal Earned Income Tax Credit limits and that also have a household net worth that was less than \$10,000 at the end of the calendar year preceding their application to your AFI project.

3. Using your current knowledge of your proposed target populations, describe their community(ies), household incomes, household composition, education, employment status, savings/assets acquisition or other factors.

4. Given the problem areas defined in Activity 2.3 and in the previous 3 responses in this activity, what are the measurable benefits/planned outcomes of the project. List five measurable changes in community conditions that will result from the project. Indicate whether they are changes at the individual/family level or at a community-wide level.

1. Describe the processes you will use to track project outputs and outcomes.

Project Outcomes	Tracking Process
1A-The number of AFI project participants who complete their overall asset purchase	
Project Specific Outcome:	
Project Specific Outcome:	
Project Outputs	Tracking Process
1B - The number of people engaging in program activities that prepare them to enter into the savings program.	
1C - The number of IDAs opened.	
2A - The number of AFI-IDA participants who complete economic skills classes	
2B - The average number of AFI IDA participants who complete at least 2 hours of asset-specific training.	
Project Specific Output	

2. If, at the end of the project's second year, you found that the actual accomplishments in 1B and 1C were only 50% of the planned levels what corrective action plan process would you follow?

Activity 2.9: Sustainability Strategy

1. Using information you developed in Activity 2.5B, create a list of partners and resources that you could use for continuing the project and/or its benefits after AFI funding completion.

2. Place your ideas from Question 1 in the appropriate column of the table below

Activity 2.10: Develop the Budget and Budget Justification

Review the following form. You will use this form, or one that provides the information displayed, to prepare a 5-year summary budget. You will base the budget on information developed in **Activities 2.6**:

Category	Federal Share	Non-Federal Share	Total
Personnel			
Total Personnel			
Fringe Benefits			
Total Fringe Benefits			
Travel			
Total Travel			
Equipment			
Total Equipment			
Supplies			
Total Supplies			
Contractual			
Total Contractual			
Other			
Total Other			
Total Direct Costs			
Total Indirect Charges			
Total Project Costs			

Activity 2.11: Draft the Project Summary

1. Write two sentences describing the target community.

2. Write two sentences about the problem(s) in the community that the project addresses.

3. Write two sentences about the results and benefits that the project will provide to the target population.

4. Write one paragraph about the proposed project design; details about the IDA account structure including matching rate, savings caps, and processes for managing the project reserve fund; partner organizations, evaluation and sources of non-Federal support.
